GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure & Investment Department - Development of Greenfield Non-Major Port at Bhavanapadu in Srikakulam District under PPP Mode of Design Build, Finance, Operate and Transfer (DBFOT) by M/s Adani Ports & SEZ Limited - Request by the developer to mutually agree to close the project - Orders – Issued

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INFRASTRUCTURE & INVESTMENT (PORTS) DEPARTMENT

G.O.Ms.No.17 Dated: 27.03.2020

Read the following:

1.G.O.Ms.No.3, E.I&I (Ports.I) Department, dated 12.02.2018
2. Lr.No.DoP/D2/3278/2011, dt.27.03.2018 of Director of Ports,AP.
3.Govt. Memo No.18022/36/2018, dt.12.10.2018
4.From the District Collector, Srikakulam Dist. D.O.Rc.No.806/2015/G1, dt.26.07.2019
5.From the Director of Ports, Kakinada Lr.No.SE/PP2/3278/2011, dt.27.08.2019
6.From the Adani Ports and Special Economic Zone Ltd., Letter dated 10.02.2020.
7.Govt. Memo No.INC01-PORT0MISC/5/2020, Dt.20.02.2020.
8.From the Dy.CEO,APMB Lr.No.SE/PP/3278/2011, Dt.01.03.2020

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ORDER:

Government of Andhra Pradesh have taken up the proposal of development of Greenfield Port at Bhavanapadu, Srikakulam District under PPP mode of Design, Build, Finance, Operate and Transfer (DBFOT).

2. In the reference 1st read above, the Government have taken a decision to award the Project of Development of Greenfield Non-Major Port at Bhavanapadu in Srikakulam District under PPP Mode of Design Build, Finance, Operate and Transfer (DBFOT) to M/s Adani Ports & SEZ Limited and also approved the Concession Agreement for implementation of the Bhavanapadu Port Project for the concession period of Thirty three (33) years extendable by 2 stretches of 10 years each and also approved the Revenue share offered by M/s Adani Ports & SEZ Limited to Government with a direction to the Director of Ports to take necessary further action following due procedure. In the reference 2nd read above, Letter of Award (LoA) has been issued by the Director of Ports, Govt. of Andhra Pradesh to M/s Adani Ports & SEZ Limited.

3. In the reference 3rd read above, Govt. have accorded permission to the District Collector, Srikakulam to issue preliminary notification and fix up the land value for the lands being acquired to an extent of Ac.2300.00 cents in Bhavanapadu, Marripadu and Devunaltada villages in Santhabommali Mandal, Srikakulam District for development of a Greenfield Sea Port at Bhavanapadu. In the reference 4th read above, the District Collector,

Srikakulam has stated that the notifications u/s 26 of LA RR Act, 2013 have been issued and requested the Govt. to sanction an amount of Rs.1202 crores towards the cost of acquisition of land and R&R package and release of funds.

4. In the reference 5th read above, the DoP has reported that the Draft Concession Agreement as approved by the Govt., refers to the investment of Rs.500 crores by the Concessionaire for the cost of acquisition of land, whereas in actual process of land acquisition, the estimated cost raised to Rs.1202 crores and the Concessionaire was requested to bear the difference of the amount of Rs.702 crores as well as it is a DBFOT Project, which was not agreed by the selected bidder.

5. The Director of Ports further reported that the clause No.37.3.3 and 37.3.5 of the DCA, which relates to eligibility of compensation by the Concessionaire in the events of Termination of the Contract are not in usual form of Concession Agreement of BOOT model and more disadvantageous to the Government involving burden to the ex-chequer. When selected bidder was requested to give his consent for the change of said clauses in accordance with general format of the BOOT mode of the project, M/s. Adani Ports & SEZ Ltd., did not agree to the modifications proposed by the Govt.

6. In the reference 6th read above, Adani Ports &SEZ Ltd., has offered to the Government to close the Tender by mutual consent in view of the difficulties mentioned above in undertaking the development of the project subject to repayment of the Project Development Fee and Bank Guarantee paid by them.

7. Government, after careful examination have decided to approve the proposal of the developer to mutually agree to close the project of development of Greenfield Non-Major Port at Bhavanapadu in Srikakulam District under PPP Mode of Design Build, Finance, Operate and Transfer (DBFOT) by M/s.Adani Ports & SEZ Ltd.

8. Therefore, the Government hereby close the project of development of Greenfield Non-Major Port at Bhavanapadu in Srikakulam District under PPP Mode of Design Build, Finance, Operate and Transfer (DBFOT) by M/s.Adani Ports & SEZ Ltd issued vide reference 1st read above and return the Bank Gurantee and the Project Development Fee paid by the developer.

7. The Dy. Chief Executive Officer, APMB shall take necessary action, immediately.

8. This order issues with the concurrence of Finance Department vide their U.O No. FIN01-FMU0ASD(IC)/54/2020-FMU-IIEIC, dated 26-03-2020

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Dy.Chief Executive Officer, APMB, Kakinada

The Chairman & Managing Director, INCAP, Vijayawada.
M/s.Adani Ports & SEZ Ltd., "Adani House", Shrimali Society,
Navrangapura, Ahmedabad, Gujarat
Copy to
The Secretary, MoS, GoI, New Delhi.,
The AG., AP., Hyderabad
The Pay & Accounts Officer, AP, Vijayawada
The Finance Dept.,
The GA (Cabinet) Dept.,
PS to Prl. Advisor to C.M.,
PS to Spl.CS I&I Dept.,
Sf/Sc (W.r.t.C.No.635/Ports.I/2015)

//FORWARDED :: BY ORDER//

SECTION OFFICER